

Govt revises PLI schemes for promoting domestic manufacturing of bulk drugs, medical devices

03 November 2020 | News

'Minimum Threshold' investment requirement replaced by 'Committed Investment'



The Union Department of Pharmaceuticals, Ministry of Chemicals and fertilizers has revised the Production Linked Incentive (PLI) Schemes for promoting domestic manufacturing of bulk drugs and medical devices keeping in view the suggestions and comments received from the industry.

Accordingly 'minimum threshold' investment requirement has been replaced by 'committed investment' taking into account availability of technology choices which varies from product to product.

Post issuance of the detailed guidelines, the department received several suggestions and inputs from the pharmaceutical and medical device industry seeking certain amendments in the scheme to enable effective participation of the industry in the two schemes. The suggestions were examined by the respective Technical Committees formed under the schemes.

The main changes which have been effected in the revised guidelines for Production Linked Incentive (PLI) scheme for promotion of domestic manufacturing of critical Key Starting Materials, Drug Intermediates and Active Pharmaceutical Ingredients in India are as follows:

- Replacement of the criteria of 'minimum threshold' investment with 'committed' investment by the selected applicant. The change has been made to encourage efficient use of productive capital as the amount of investment required to achieve a particular level of production depends upon choice of technology and it also varies from product to product. The provision for verification of the actual investment made by the selected applicant for the purpose of giving incentives under the scheme continues.
- Deletion of the provision which restricts the sales of eligible products to domestic sales only, for the purpose of eligibility of receiving incentives, bringing the scheme in line with other PLI schemes and encouraging market diversification.
- Change in the minimum annual production capacity for 10 products viz Tetracycline, Neomycin, Para Amino Phenol

(PAP), Meropenem, Artesunate, Losartan, Telmisartan, Acyclovir, Ciprofloxacin and Aspirin. Minimum annual production capacity is a part of eligibility criteria under the scheme.

- The last date for receiving applications under the scheme is now extended by a week to 30.11.2020 (inclusive)

Similarly, the main changes which have been effected in the revised guidelines for Production Linked Incentive Scheme for Promoting Domestic Manufacturing of Medical Devices are as follows-

- Replacement of the criteria of 'minimum threshold' investment with 'committed' investment by the selected applicant. The change has been made to encourage efficient use of productive capital as the amount of investment required to achieve a particular level of production depends upon technology used and it also varies from product to product. The provision for verification of the actual investment made by the selected applicant for the purpose of giving incentives under the scheme continues.
- Change in the eligibility criteria of minimum sales threshold in line with projected demand, technology trend and market development, for the purpose of availing incentive under the scheme.
- The tenure of the scheme has been extended by one year keeping in view the capital expenditure expected to be done by the selected applicants in FY 2021-22. Accordingly, the sales for the purpose of availing incentives will be accounted for 5 years starting from FY 2022-2023 instead of FY 2021-2022.
- The last date for receiving applications under the scheme is now extended by a week to 30.11.2020 (inclusive).